



Prevention of Significant Deterioration (PSD) Program Approval Summary

Office of Air Quality – Air Permits Program

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Introduction

The United States Environmental Protection Agency (U.S. EPA) published federal new source review (NSR) reform amendments containing the Prevention of Significant Deterioration (PSD) and non-attainment NSR requirements in the [December 31, 2002, Federal Register \(67 FR 80186\) \[PDF\]](#). The rule requires states to adopt the federal NSR reform amendments and submit state implementation plan (SIP) amendments to implement the rules no later than January 2, 2006.

U.S. EPA published a notice in the [January 15, 2003, Federal Register \(68 FR 1970\) \[PDF\]](#) informing the public that U.S. EPA conditionally approved, as a revision to the Indiana State Implementation Plan (SIP), the PSD rules submitted by Indiana. Due to the receipt of adverse comments, U.S. EPA withdrew its January 15, 2003, direct final action in the [March 3, 2003, Federal Register \(68 FR 9892\) \[PDF\]](#).

A final action to conditionally approve Indiana's SIP and respond to comments was also published in the [March 3, 2003, Federal Register \(68 FR 9892, pages 9892-9895\) \[PDF\]](#). This approval became effective on April 2, 2003. As a result of the approval, the state PSD rule ([Title 326, Article 2, Rule 2 in the Indiana Administrative Code \(326 IAC 2-2\)](#)) is federally enforceable under the Clean Air Act (CAA). This means that the PSD program in Indiana is a federally approved state program instead of a delegated federal program. More information on the background and results of this action is provided below.

Note that U.S. EPA published a correction notice in the [June 27, 2003, Federal Register \(68 FR 38197\) \[PDF\]](#) to correct the effective dates of the Indiana rules listed as approved in the March 3, 2003 notice.

Necessity of the Program and its History

Part C of Title I of the CAA requires states to include, in their SIP, emission limitations and other measures that are necessary to prevent significant deterioration of the air quality in each region designated as attainment or unclassifiable. [Section 51.166 of Title 40 of the Code of Federal Regulations \(40 CFR 51.166\)](#) contains the specific minimum requirements for a PSD program. The PSD program is a preconstruction review program that requires review of major new sources of air pollution emissions and major modifications of existing sources located in attainment areas where air quality meets health-based standards. If a state does not have a PSD program as an approved part of its SIP, a state may be delegated the authority to implement and enforce the federal PSD program contained in [40 CFR 52.21](#).

Since September 30, 1980, IDEM has been U.S. EPA's delegated authority for implementation of the federal PSD program in Indiana. Beginning in 1999, Indiana conducted state rulemakings to update and correct the state PSD rule at 326 IAC 2-2 such that the rule could be submitted to U.S. EPA and approved into the SIP. After working informally with U.S. EPA Region V during the state rulemakings, on February 1, 2002, Indiana submitted the updated and corrected PSD rule to U.S. EPA for approval into the SIP.

After a formal review, U.S. EPA published the March 3, 2003, notice conditionally approving Indiana's PSD rules as a SIP revision. This approval means that Indiana will implement the approved state rules instead of being delegated to implement the federal rule. As a condition of the approval, Indiana was required to make the corrections to the state rule that U.S. EPA specified in the notice within one (1) year of April 2, 2003. IDEM began conducting a rulemaking to make the corrections, as announced in a notice published in the [April 1, 2003, Indiana Register](#).

SIP Effective Date

The March 3, 2003, notice became effective on April 2, 2003.

Differences in the SIP with Effective PSD Rule

Having SIP approval means that Indiana's permit program is independently authorized, and all issues are resolved within Indiana's administrative legal system. U.S. EPA will still review and comment on proposed permits and can seek to revoke approval if Indiana fails to implement the program in accordance with federal guidance.

Additional Information

- [IDEM New Source Review page](#)
- [U.S. EPA Clean Air Act Permitting in Indiana page](#)